

ME

# The Guarantee Company of North America

Incorporated Statutes of Canada 1851  
Federally licensed since 1872



HOME OFFICE  
MONTREAL

*Fidelity and Surety Bonds*  
*Fire and Casualty Insurance*

*The Company That Introduced Fidelity Insurance to North America*

NINETY-SEVENTH ANNUAL REPORT

1969

# The Guarantee Company of North America

PLACE DU CANADA  
MONTREAL 101 — QUE.

## GENERAL MANAGER

J. LORNE COOKE

## DEPARTMENT HEADS

G. H. DOBLE . . . . .	Guarantee — Surety
M. L. JONES . . . . .	— Fidelity
A. LALONDE . . . . .	Property
J. A. LAPIERRE . . . . .	Claims
G. G. MILNES . . . . .	Accounts
A. SEMERJIAN . . . . .	Assistant Property
B. SOUCHEREAU, A.I.C. . . . .	Inland Transportation Automobile, Liability

## HOME OFFICE INSPECTORS

J. M. ALLARD

V. DOOLEY

B. HOLLINGSWORTH

R. OUELLET

## BRANCHES AND SERVICE OFFICES

### QUEBEC

QUEBEC — P. A. DESMARAIS, A.I.C.      SHERBROOKE — R. DUPRAS

TROIS-RIVIÈRES — J. PAGÉ

### ONTARIO

TORONTO — W. ADAM — Fire and Casualty

W. J. GARDNER — Surety & Fidelity

WOODSTOCK — T. L. BENNETT      D. M. HANCOCK

OTTAWA — W. G. ADAMSON



1 9 6 9

Ninety-Seventh Annual Report

of the Board of Directors

of

**The Guarantee Company of North America**

to the Annual General Meeting of Shareholders

on Friday, 17th April, 1970

# The Guarantee Company of North America

## BOARD OF DIRECTORS

*J. P. BASSEL, Q.C. . . . .	Toronto
<i>Partner — Bassel, Sullivan, Holland &amp; Lawson</i>	
*PIERRE CÔTÉ . . . . .	Quebec
<i>President — Laiterie Laval Ltée</i>	
FRANK COWAN . . . . .	Princeton
<i>President — Frank Cowan Company Limited</i>	
*BRUNO DESJARDINS . . . . .	Montreal
<i>Partner — Simard &amp; Desjardins</i>	
DANIEL O'C. DOHENY, Q.C. . . . .	Montreal
<i>Partner — Doheny, Day, Mackenzie &amp; Lawrence</i>	
G. BLAIR GORDON . . . . .	Montreal
<i>President — Blair &amp; Company</i>	
H. CAMERON HAWKEN . . . . .	Montreal
<i>Vice-President Finance — Marine Industries Limited</i>	
J. H. KENNEDY . . . . .	Princeton
<i>Vice-President &amp; General Manager — Frank Cowan Company Limited</i>	
R. B. LAWSON, Q.C. . . . .	Toronto
<i>Partner — Bassel, Sullivan, Holland &amp; Lawson</i>	
*J. R. McLAUGHLIN . . . . .	Princeton
<i>Director — Frank Cowan Company Limited</i>	
D. W. McLEAN . . . . .	Montreal
<i>President — McLean, Budden Limited</i>	
W. J. MILHAUSEN, P.Eng. . . . .	Toronto
<i>Partner — Marani, Rounthwaite and Dick</i>	
*G. W. MILLAR . . . . .	Montreal
<i>Chairman — Lyman Tube Limited</i>	
H. M. RAWLINGS . . . . .	Montreal

\*Member Executive Committee.

## OFFICERS

G. W. MILLAR . . . . .	<i>President</i>
J. P. BASSEL, Q.C. . . . .	<i>Vice-President</i>
PIERRE CÔTÉ . . . . .	<i>Vice-President</i>
BRUNO DESJARDINS . . . . .	<i>Vice-President</i>
J. R. McLAUGHLIN . . . . .	<i>Vice-President</i>
J. L. COOKE . . . . .	<i>General Manager</i>
G. H. DOBLE . . . . .	<i>Assistant Vice-President</i>
G. G. MILNES . . . . .	<i>Controller</i>
DAPHNE L. CATLIFF . . . . .	<i>Secretary</i>
MILDRED L. JONES . . . . .	<i>Assistant Secretary</i>
D. M. CHADWICK . . . . .	<i>Treasurer</i>

SOLICITORS: Doheny, Day, Mackenzie & Lawrence

AUDITORS: Riddell, Stead & Co.



## TO THE SHAREHOLDERS

The Board of Directors submits herewith the ninety-seventh Annual Report of your Company, together with the consolidated Statement of Assets and Liabilities and related financial statements for the year ended December 31st, 1969, and the report of your auditors.

Your Company in conjunction with numerous other insurance companies experienced an exceptionally poor fourth quarter which resulted in an underwriting loss of \$767,968. During the year the net investment income increased by \$170,000 over 1968. Thus the Company loss for the year was \$224,808 or \$1.68 per share, the first loss sustained in the past five years. Dividends of 90¢ a share were paid.

Owing to the continuing decline in prices of fixed income securities it was deemed advisable to increase the reserve for investments by \$448,000.

As a further service to our agents and clients, your Directors took the decision to write Directors and Officers Liability Insurance. We will be pleased to supply you with details on this particular form of insurance.

We are deeply concerned with recent proposals put forward by the Government which has postponed tax legislation and has instead presented its proposals to the Nation in the form of a White Paper, calling for comments and suggestions. We, along with other insurance companies, are responding to this request and are hopeful that reasonable provisions will emerge that recognize the risks of the industry.

It is with regret that the Company accepted the resignation of Mr. R. R. McLernon as a Director. He served the Company faithfully for seven years and his counsel will be missed.

After twenty-five years on the Board, Mr. G. Blair Gordon has requested that his name not be put forward for re-election. We acknowledge this request with great regret. Mr. Gordon's advice and guidance were always most constructive and helpful.

At the Annual Meeting, held Wednesday, April 20th, 1969, Messrs. J. H. Kennedy, R. B. Lawson, Q.C. and J. R. McLaughlin were elected to your Board of Directors. These gentlemen have many years of valuable experience in the insurance industry.

To the many dedicated and loyal employees and agents throughout the organization who are working to continually improve our operations, I wish to express my thanks for their efforts.

on behalf of The Board of Directors  
G. W. MILLAR  
President

The last quarter of 1969 produced an adverse loss picture for the entire insurance industry. Unfortunately we shared in this experience — from a profit position at the end of August, frequency and severity in claims in the last quarter resulted in an overall underwriting loss.

The Company's premium writings increased substantially during the year — from \$5,498,600 gross premiums in 1968 to \$7,216,932 in 1969. With this growth an additional \$921,067 was added to our unearned premium reserves and, although our earned loss ratio of 59.1% will be well below the industry average, it produced an underwriting loss for us because of the very large premium reserves. Our expenses, as a percentage of the net premiums written, show a further decrease.

In 1970 our rate of growth is being decelerated and our program of re-underwriting and portfolio control is continuing. Although it is early in the year, our first quarter of 1970 shows an improvement over the first three months of 1969.

J. L. COOKE  
General Manager



# The Guarantee Company of North America

## BALANCE SHEET AS AT DECEMBER 31, 1969 (with comparative figures for 1968, 1967, 1966 and 1965)

	1969	1968	1967	1966	1965
<b>Assets</b>					
Cash .....	\$ 98,976	\$ 125,419	\$ 130,537	\$ 151,102	\$ 30,494
Cash held in trust .....	279,161	154,043	146,111	139,422	256,412
Short-term notes .....	—	—	—	200,000	825,000
Marketable securities at cost (Note 1) .....	9,387,717	8,261,745	6,897,072	6,154,065	5,557,578
Accrued interest receivable .....	120,007	105,098	88,613	76,711	78,409
Mortgage loans .....	352,010	393,202	407,707	298,517	59,860
Premiums receivable .....	1,068,455	866,400	737,388	468,501	491,312
Due from reinsuring and other insurance companies ..	174,650	43,888	105,067	61,349	21,448
Furniture and fixtures at cost less accumulated depreciation .....	42,354	42,063	40,682	34,270	29,018
Sundry receivables .....	35,878	11,956	16,267	13,000	—
	<u>\$11,559,208</u>	<u>\$10,003,814</u>	<u>\$8,569,444</u>	<u>\$7,596,937</u>	<u>\$7,349,531</u>
<b>Liabilities</b>					
Bank loan .....	\$ 250,000	\$ —	\$ —	\$ —	\$ —
Provision for outstanding claims and claims expense (including provision for unreported claims) .....	2,524,236	1,857,092	1,572,087	1,418,509	1,445,645
Special provision for guarantee bonds .....	213,166	170,300	186,949	188,339	202,487
Income and other taxes .....	41,245	46,482	49,328	94,121	68,820
Reinsurers' deposits held in trust .....	279,161	154,043	146,111	139,422	256,412
Other liabilities .....	613,525	671,067	628,024	537,436	626,604
Provision for unearned premiums .....	3,490,712	2,612,511	1,707,107	1,228,171	1,094,673
	<u>7,412,045</u>	<u>5,511,495</u>	<u>4,289,606</u>	<u>3,605,998</u>	<u>3,694,641</u>
<b>Capital and Surplus</b>					
Capital stock					
Authorized					
200,000 shares of \$5 each					
Issued					
133,720 shares .....	668,600	668,600	668,600	668,600	668,600
Earned surplus .....	2,191,563	2,971,719	2,743,738	2,699,339	2,563,290
Reserve for investments and other contingencies .....	1,248,000	800,000	800,000	500,000	300,000
Voluntary pension reserve for employees who retired prior to the establishment of Company pension plan .....	39,000	52,000	67,500	123,000	123,000
	<u>4,147,163</u>	<u>4,492,319</u>	<u>4,279,838</u>	<u>3,990,939</u>	<u>3,654,890</u>
	<u>\$11,559,208</u>	<u>\$10,003,814</u>	<u>\$8,569,444</u>	<u>\$7,596,937</u>	<u>\$7,349,531</u>



# The Guarantee Company of North America

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 1969 (with comparative figures for 1968, 1967, 1966 and 1965)

	1969	1968	1967	1966	1965
NET PREMIUMS WRITTEN .....	\$6,568,804	\$5,017,349	\$2,993,942	\$2,151,972	\$1,830,623
Increase in provision for unearned premiums .....	878,201	905,697	478,936	133,498	2,488
Net premiums earned .....	5,690,603	4,111,652	2,515,006	2,018,474	1,828,135
Claims and claims expense .....	3,513,040	1,962,414	955,487	728,364	825,333
General operating expenses including commissions .....	2,902,665	2,292,134	1,514,128	1,149,016	1,050,976
Increase (decrease) in special provision for guarantee bonds .....	42,866	(16,649)	(1,390)	(14,148)	(98,460)
	6,458,571	4,237,899	2,468,225	1,863,232	1,777,849
UNDERWRITING (LOSS) PROFIT .....	(767,968)	(126,247)	46,781	155,242	50,286
Net investment income .....	543,160	373,398	326,523	282,434	279,149
(Loss) profit for the year before income taxes .....	(224,808)	247,151	373,304	437,676	329,435
Income taxes (Note 2) .....	—	—	(13,828)	64,700	28,415
NET (LOSS) PROFIT FOR THE YEAR .....	(224,808)	247,151	387,132	372,976	301,020
Gain on sale of subsidiary company shares .....	—	85,678	—	—	—
NET (LOSS) PROFIT FOR THE YEAR .....	<u>\$ (224,808)</u>	<u>\$ 332,829</u>	<u>\$ 387,132</u>	<u>\$ 372,976</u>	<u>\$ 301,020</u>

## STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1969

BALANCE AT BEGINNING OF YEAR .....	\$2,971,719	\$2,743,738	\$2,699,339	\$2,563,290	\$2,002,386
Net (loss) profit for the year .....	(224,808)	332,829	387,132	372,976	301,020
Transferred from general reserve .....	—	—	—	—	300,000
Transferred from voluntary pension reserve .....	13,000	15,500	55,500	—	—
	2,759,911	3,092,067	3,141,971	2,936,266	2,603,406
Transferred to investment reserve .....	448,000	—	300,000	200,000	—
Dividends .....	120,348	120,348	80,232	80,232	40,116
Adjustment of prior years' profits and taxes .....	—	—	—	(43,305)	—
Organization expenses of U.S. subsidiary .....	—	—	18,001	—	—
	568,348	120,348	398,233	236,927	40,116
BALANCE AT END OF YEAR .....	<u>\$2,191,563</u>	<u>\$2,971,719</u>	<u>\$2,743,738</u>	<u>\$2,699,339</u>	<u>\$2,563,290</u>
Net (loss) profit per share .....	<u>\$(1.68)</u>	<u>\$2.49</u>	<u>\$2.89</u>	<u>\$2.79</u>	<u>\$2.25</u>
Paid per share .....	<u>.90</u>	<u>.90</u>	<u>.60</u>	<u>.60</u>	<u>.30</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1969

NOTE 1. Market value of securities as determined by the Insurance Department of Canada at December 31.

1965	\$5,399,503	1968	7,594,982
1966	5,665,409	1969	8,206,563
1967	6,127,985		

NOTE 2. The current year's tax loss \$(546,500) results partly from claiming for tax purposes a provision for unearned premiums in excess of the amount recorded in the accounts. This loss is available to offset taxable income until December 31, 1975.

The accumulated amount by which income taxes have been reduced or tax losses created by claiming for tax purposes provisions for unearned premiums in excess of amounts recorded in the accounts is approximately \$454,000.

## AUDITORS' REPORT

To The Shareholders of  
The Guarantee Company of North America

We have examined the balance sheet of The Guarantee Company of North America as at December 31, 1969 and the statements of profit and loss and earned surplus for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1969 and the results of its operations for the year then ended, in accordance with accounting principles and practices in compliance with insurance laws of Canada, applied on a basis consistent with that of the preceding year.

February 27, 1970

RIDDELL, STEAD & CO.



# The Guarantee Company of North America

## MARKETABLE SECURITIES HELD BY THE COMPANY

(Valuation Authorized by the Department of Insurance — Canada)

Bonds	Interest Rate	Year	Par Value	Authorized Value
Abitibi Paper Co. Ltd.	7.25%	1987	\$ 25,000	\$ 21,000
Alberta Gas Trunk Line Co. Ltd.	5.5%	1985	25,000	19,750
"	5.75%	1985	25,000	18,750
"	5.25%	1978	25,000	19,750
Algoma Steel Corporation Ltd.	7.0%	1991	50,000	40,000
Avalon Telephone Co. Ltd.	7.0%	1987	25,000	21,000
Bank of Nova Scotia	5.5%	1982	48,000	36,000
Bell Telephone Company of Canada	5.5%	1984	25,000	18,250
"	5.75%	1984	20,000	15,000
"	6.25%	1988	25,000	19,250
"	7.625%	1991	35,000	30,800
British Columbia Electric Co. Ltd.	5.125%	1988	20,000	13,800
"	5.5%	1989	25,000	17,750
British Columbia Forest Products Ltd.	6.5%	1992	50,000	38,000
British Columbia Telephone Co.	6.75%	1989	50,000	39,500
"	6.375%	1991	50,000	37,500
B.P. Refinery Canada Ltd.	5.75%	1986	30,000	21,900
Calgary Power Ltd.	5.75%	1982	25,000	19,250
Canada Cement Co. Ltd.	6.25%	1986	75,000	58,500
Canada, Government of	5.5%	1976	425,000	369,750
"	3.25%	1979	100,000	69,000
"	4.5%	1983	210,000	153,300
Canadian National Railway Co.	4.0%	1981	50,000	35,000
Canadian Utilities Ltd.	5.5%	1986	25,000	17,500
"	5.625%	1990	50,000	34,500
Canadian Western Natural Gas Co. Ltd.	5.375%	1983	25,000	18,250
Consumers' Gas Co.	5.5%	1982	25,000	18,750
"	5.5%	1983	25,000	18,500
"	5.75%	1984	15,000	11,250
Credit Foncier Franco-Canadien	5.5%	1981	25,000	18,000
"	5.25%	1982	25,000	17,250
"	5.5%	1983	25,000	17,250
"	5.5%	1984	25,000	17,000
"	5.75%	1985	25,000	17,250
Dominion Foundries and Steel Ltd.	6.5%	1987	50,000	39,000
Dominion Steel & Coal Corporation Ltd.	5.75%	1984	22,500	15,750
Dominion Tar & Chemical Co. Ltd.	5.5%	1982	25,000	19,500
"	5.75%	1984	15,000	11,100
Dominion Textile Co. Ltd.	5.625%	1988	50,000	35,500
"	6.75%	1990	50,000	39,000
Domtar Limited	6.75%	1987	50,000	40,000
East Coast Smelting and Chemical Co. Ltd.	5.85%	1986	25,000	18,250
"	7.25%	1987	25,000	21,250
T. Eaton Acceptance Co. Ltd.	4.5%	1976	25,000	20,000
"	5.75%	1983	25,000	18,750
"	5.75%	1985	25,000	18,250
T. Eaton Realty Co. Ltd.	6.25%	1986	50,000	38,500
Federal Grain Ltd.	6.0%	1985	25,000	18,500
Gaz Metropolitain Inc.	6.0%	1980	19,000	15,390
"	5.75%	1985	7,100	5,183
General Motors Acceptance Corporation of Canada Ltd.	7.0%	1986	100,000	81,000
Hamilton, City of	6.0%	1979	25,000	20,500
Home Oil Co. Ltd.	6.25%	1983	23,000	17,710
Hudson's Bay Oil and Gas Co. Ltd.	5.5%	1983	25,000	18,750
"	7.0%	1987	75,000	63,750
Imperial Oil Ltd.	7.375%	1988	25,000	21,750
Industrial Acceptance Corporation Ltd.	5.75%	1981	25,000	18,500
"	5.75%	1982	25,000	18,250
"	6.5%	1983	50,000	38,500
"	6.75%	1984	50,000	39,500
Interprovincial Pipe Line Co.	5.5%	1985	50,000	34,500
John Labatt Ltd.	5.75%	1987	25,000	18,250
"	5.75%	1989	25,000	17,750
Laurentide Financial Corporation Ltd.	5.75%	1973	25,000	22,000
Lever Brothers Ltd.	6.0%	1985	25,000	19,250
Loblaws Groceries Co. Ltd.	4.0%	1975	25,000	19,750
"	6.0%	1977	14,000	11,760
Loblaws Leased Properties Ltd.	4.5%	1981	50,000	35,000
Manitoba Telephone Commission	5.5%	1982	25,000	19,250
Maritime Electric Co. Ltd.	5.75%	1981	25,000	19,500
Miron Company Ltd.	6.0%	1990	25,000	17,500
Mobil Oil Canada Ltd.	7.5%	1988	50,000	42,500
Montreal, City of	4.0%	1975	30,000	24,000
"	5.75%	1988	25,000	18,000
"	5.75%	2004	25,000	16,500
New Brunswick, Province of	3.5%	1975	50,000	39,500
New Brunswick Telephone Co. Ltd.	6.5%	1986	50,000	39,500
Niagara Finance Co. Ltd.	7.25%	1972	50,000	47,500
"	5.75%	1985	25,000	17,250
Noranda Mines Ltd.	7.5%	1988	100,000	85,000
Northern and Central Gas Co. Ltd.	6.5%	1986	69,000	53,130
Northern Electric Co. Ltd.	6.25%	1986	75,000	60,000
Northwestern Utilities Ltd.	5.75%	1988	10,000	7,000
Nova Scotia, Province of	5.5%	1984	25,000	19,000
Otis Elevator Co. Ltd.	7.0%	1986	50,000	41,000
Price Brothers & Co. Ltd.	5.75%	1982	50,000	38,500
Protestant School Board of Greater Montreal	5.5%	1981	25,000	18,500
Quebec Autoroutes Authority	5.75%	1989	25,000	18,000
Quebec Hydro-Electric Commission	5.5%	1982	25,000	18,750
"	5.5%	1987	50,000	35,000
"	5.5%	1988	25,000	17,500
Quebec Power Co.	6.25%	1982	25,000	20,250
Quebec, Province of	6.0%	1982	10,000	7,900
"	5.25%	1984	25,000	18,000
"	6.0%	1988	100,000	74,000
Quebec Telephone	5.75%	1983	35,000	25,550
"	7.0%	1989	50,000	40,000
Rolland Paper Co. Ltd.	5.75%	1984	25,000	18,500
Forward:			\$4,056,600	\$3,145,273



Bonds	Interest Rate	Year	Par Value	Authorized Value
Brought forward .....			\$4,056,600	\$3,145,273
Royal Trust Company Mortgage Corporation .....	5.75%	1981	25,000	19,500
" " " " " " .....	5.75%	1985	25,000	18,500
" " " " " " .....	6.0%	1985	25,000	19,000
RoyNat Ltd. ....	6.0%	1979	50,000	40,500
" " " " " " .....	5.5%	1980	25,000	19,250
" " " " " " .....	6.0%	1980	25,000	20,000
" " " " " " .....	6.25%	1980	25,000	20,500
Saskatchewan, Province of .....	5.5%	1982	25,000	19,500
" " " " " " .....	5.5%	1984	50,000	38,000
Shell Canada Ltd. ....	5.75%	1983	25,000	18,250
Shell Properties Ltd. ....	5.75%	1982	24,000	17,760
Simpsons Acceptance Co. Ltd. ....	6.75%	1986	50,000	38,500
Simpsons Ltd. ....	6.5%	1987	25,000	19,000
Simpsons-Sears Acceptance Co. Ltd. ....	6.25%	1986	75,000	56,250
" " " " " " .....	7.0%	1986	50,000	43,500
Steel Company of Canada Ltd. ....	5.5%	1990	50,000	34,500
Steinberg's Limited .....	5.75%	1984	25,000	19,000
" " " " " " .....	6.625%	1986	50,000	40,500
Toronto-Dominion Bank .....	7.0%	1987	25,000	21,250
Toronto-Dominion Centre Ltd. ....	8.0%	1993	85,000	79,050
Toronto, Municipality of Metropolitan .....	4.5%	1976	25,000	19,750
" " " " " " .....	5.5%	1982	25,000	19,000
Traders Finance Corporation Ltd. ....	5.75%	1981	25,000	18,500
Union Gas Company of Canada Ltd. ....	5.75%	1983	25,000	19,000
" " " " " " .....	7.0%	1987	50,000	42,000
Westcoast Transmission Co. Ltd. ....	5.5%	1988	25,000	17,750
George Weston Ltd. ....	5.5%	1983	15,000	10,800
" " " " " " .....	6.75%	1986	25,000	19,750
" " " " " " .....	6.75%	1987	50,000	39,500
Woodbine-Sheppard Shopping Centre Ltd. ....	8.125%	1993	35,000	32,200
Zeller's Limited .....	7.0%	1986	60,000	48,600
			<b>\$5,176,600</b>	<b>\$4,034,433</b>

#### Preferred Stocks

Abitibi Paper Co. Ltd. 7½% .....	\$50	3,800 shares at	52	\$ 197,600
Alberta Gas Trunk Line Co. Ltd. 5¾% .....	\$100	1,000 " "	121	121,000
Anglo-Canadian Telephone Co. \$3.15 .....	\$50	2,200 " "	42	92,400
British Columbia Forest Products Ltd. 6% .....	\$50	1,850 " "	42	77,700
British Columbia Telephone Co. 4¾% .....	\$100	1,200 " "	62	74,400
" " " " " " 6.80% .....	\$25	1,000 " "	24	24,000
Calgary Power Ltd. 5.40% .....	\$100	2,000 " "	104	208,000
Canada Cement Co. Ltd. \$1.30 .....	\$20	5,000 " "	18	90,000
Canadian Breweries Ltd. \$2.20 .....	\$50	4,450 " "	30	133,500
" " " " " " \$2.65 .....	\$50	1,000 " "	34	34,000
Chemcell — 1963 — Ltd. \$1.75 .....	\$25	5,000 " "	25	125,000
EL Financial Corporation Ltd. ....	NPV	1,275 " "	15	19,125
Investors Group 5% .....	\$25	5,000 " "	24	120,000
Laurentide Financial Corp. \$2.00 .....	\$38	5,000 " "	23	115,000
Quebec Telephone 4¾% .....	\$20	11,000 " "	11	121,000
Rio Algom Mines Ltd. 5.80% .....	\$100	1,000 " "	82	82,000
Rothmans of Pall Mall Canada Ltd. 6.85% .....	\$100	1,000 " "	86	86,000
" " " " " " 6.625% .....	\$20	5,000 " "	20	100,000
Royal Trust Company Mortgage Corp. 5% .....	\$20	7,550 " "	14	105,700
Traders Group Ltd. \$2.16 .....	\$30	3,500 " "	27	94,500
Trans-Canada Pipe Lines Ltd. \$2.80 .....	\$50	4,500 " "	38	171,000
Union Gas Company of Canada Ltd. 6% .....	\$50	1,300 " "	48	62,400
United Corporations Ltd. 5% .....	\$30	2,500 " "	20	50,000
Western Broadcasting Co. 5.75% .....	\$25	1,500 " "	25	37,500
				<b>\$2,341,825</b>

#### Common Stocks

Alcan Aluminium Ltd. ....	NPV	2,000 shares at	30	\$ 60,000
Alberta Gas Trunk Line Co. Ltd. ....	\$5	1,800 " "	43	77,400
Avon Products Inc. ....	\$1	100 " "	182	18,200
Bank of Montreal .....	\$25	3,000 " "	15	45,000
Bell Telephone Company of Canada .....	\$25	4,000 " "	42	168,000
Bristol-Myers Co. ....	\$1	400 " "	76	30,400
Chesebrough — Ponds Inc. ....	\$1	1,000 " "	57	57,000
Distillers Corporation — Seagrams Ltd. ....	\$1	1,000 " "	55	55,000
Dominion Foundries & Steel Ltd. ....	NPV	1,500 " "	22	33,000
Eastman Kodak Co. ....	\$2.50	1,000 " "	84	84,000
EL Financial Corporation Ltd. — Warrants .....		425 " "	5	2,125
Falconbridge Nickel Mines Ltd. ....	NPV	300 " "	145	43,500
General Telephone & Electronics Corp. ....	\$3.33	1,300 " "	39	50,700
Guaranty Trust Company of Canada .....	\$2	1,000 " "	11	11,000
Hiram Walker — Gooderham & Worts Ltd. ....	NPV	1,300 " "	45	58,500
Industrial Acceptance Corp. ....	NPV	6,000 " "	15	90,000
International Business Machines .....	\$5	180 " "	387	69,660
Kennecott Copper Corp. ....	\$5	1,000 " "	48	48,000
Mobil Oil Corporation .....	\$7.50	700 " "	54	37,800
Moore Corporation Ltd. ....	NPV	1,500 " "	36	54,000
Noranda Mines Ltd. ....	NPV	1,200 " "	33	39,600
Otis Elevator Co. ....	\$3.12	700 " "	53	37,100
Radio Corporation of America .....	NPV	700 " "	44	30,800
Rothmans of Pall Mall Canada Ltd. — Warrants .....		1,000 " "	5	5,000
Royal Bank of Canada .....	\$2	2,500 " "	22	55,000
Royal Trust Co. ....	\$1	2,000 " "	26	52,000
Shell Oil Co. ....	\$1	500 " "	55	27,500
Simpsons Limited .....	NPV	2,400 " "	19	45,600
Southern California Edison Co. ....	\$8.33	1,300 " "	38	49,400
Sperry Rand Corporation .....	\$0.50	500 " "	49	24,500
Standard Oil of New Jersey .....	\$7	500 " "	72	36,000
Supertest Petroleum Corporation .....	NPV	1,000 " "	34	34,000
Traders Group Ltd. — Warrants .....		3,500 " "	4	14,000
Trans World Airlines Inc. ....	\$5	500 " "	31	15,500
Union Carbide Canada Ltd. ....	NPV	500 " "	16	8,000
Union Gas Company of Canada Ltd. ....	NPV	10,000 " "	16	160,000
F. W. Woolworth Co. ....	\$3.33	1,000 " "	42	42,000
Xerox Corporation .....	\$0.33	540 " "	113	61,020
				<b>\$1,830,305</b>

#### SUMMARY OF MARKETABLE SECURITIES HELD at Authorized Values

Bonds .....	\$4,034,433
Preferred Stock .....	2,341,825
Common Stock .....	1,830,305
	<b>\$8,206,563</b>



# La Garantie, Compagnie d'Assurance de l'Amérique du Nord

## ETAT DE PROFITS ET PERTES POUR L'ANNEE TERMINEE LE 31 DECEMBRE 1969 (avec chiffres comparatifs pour 1968, 1967, 1966 et 1965)

1969	1968	1967	1966	1965
\$6,568,804	\$5,017,349	\$2,993,942	\$2,151,972	\$1,830,623
878,201	905,697	478,936	133,498	2,488
5,690,603	4,111,652	2,515,006	2,018,474	1,828,135
3,513,040	1,962,414	955,487	728,364	825,333
2,902,665	2,292,134	1,514,128	1,149,016	1,050,976
42,866	(16,649)	(1,390)	(14,148)	(98,460)
6,458,571	4,237,899	2,468,225	1,863,232	1,777,849
(767,968)	(126,247)	46,781	155,242	50,286
543,160	373,398	326,523	282,434	279,149
(224,808)	247,151	373,304	437,676	329,435
(224,808)	247,151	387,132	372,976	301,020
—	85,678	—	—	—
(PERTE NETTE) PROFIT NET DE L'ANNEE	\$ 332,829	\$ 387,132	\$ 372,976	\$ 301,020
(PERTE NETTE) PROFIT NET DE L'ANNEE	(224,808)	247,151	387,132	372,976
Profit sur la vente des actions de la compagnie filiale	—	—	—	—
(PERTE NETTE) PROFIT NET DE L'ANNEE	(224,808)	247,151	(13,828)	64,700
Impôts sur le revenu (Note 2)	—	—	—	28,415
(Perte) profit de l'année avant impôts sur le revenu	(224,808)	247,151	373,304	437,676
Revenu net de placements	543,160	373,398	326,523	282,434
(Perte) Profits d'Exploitation	(767,968)	(126,247)	46,781	155,242
42,866	4,237,899	2,468,225	1,863,232	1,777,849
Augmentation (diminution) de la provision spéciale	—	—	—	—
pour garantie de cautions	—	—	—	—
les commissions	—	—	—	—
Frais généraux d'exploitation, y compris	—	—	—	—
Reclamations et frais de réclamations	—	—	—	—
Primes nettes gagnées	—	—	—	—
Augmentation de la provision pour primes non gagnées	—	—	—	—
878,201	905,697	478,936	133,498	2,488
5,690,603	4,111,652	2,515,006	2,018,474	1,828,135
3,513,040	1,962,414	955,487	728,364	825,333
2,902,665	2,292,134	1,514,128	1,149,016	1,050,976
42,866	(16,649)	(1,390)	(14,148)	(98,460)
6,458,571	4,237,899	2,468,225	1,863,232	1,777,849
(767,968)	(126,247)	46,781	155,242	50,286
543,160	373,398	326,523	282,434	279,149
(224,808)	247,151	373,304	437,676	329,435
—	—	—	—	—
(224,808)	247,151	387,132	372,976	301,020
—	85,678	—	—	—
(PERTE NETTE) PROFIT NET DE L'ANNEE	\$ 332,829	\$ 387,132	\$ 372,976	\$ 301,020

## ETAT DU SURPLUS D'EXPLOITATION POUR L'ANNEE TERMINEE LE 31 DECEMBRE 1969

1969	1968	1967	1966	1965
\$2,971,719	\$2,743,738	\$2,699,339	\$2,563,290	\$2,002,386
(224,808)	332,829	387,132	372,976	301,020
—	—	—	—	300,000
13,000	15,500	55,500	—	—
2,759,911	3,092,067	3,141,971	2,936,266	2,603,406
448,000	—	300,000	200,000	—
120,348	120,348	80,232	80,232	40,116
—	—	—	(43,305)	—
—	—	18,001	—	—
568,348	120,348	398,233	236,927	40,116
\$2,191,563	\$2,971,719	\$2,743,738	\$2,699,339	\$2,563,290
(\$1.68)	\$2.49	\$2.89	\$2.79	\$2.25
Payé par action	0.90	0.90	0.60	0.30

NOTE 1. Prix du marché des valeurs tels que déterminés par le Département des Assurances du Canada au 31 décembre:

1965	1966	1967
\$5,399,503	5,665,409	6,127,985
1968	1969	
7,594,982	8,206,563	

NOTE 2. La perte pour fins d'impôts de l'année courante (\$546,500) résulte en partie de la réclamation d'une provision pour primes non gagnées supérieure au montant enregistré aux livres. Cette perte est disponible pour compenser un revenu imposable jusqu'au 31 décembre 1975.

Le montant accumulé de la réduction des impôts sur le revenu ou des pertes pour fins d'impôts résultant de la réclamation de provisions pour primes non gagnées supérieures aux montants enregistrés aux livres est d'environ \$454,000.

## RAPPORT DES VERIFICATEURS

Aux actionnaires de

La Garantie, Compagnie d'Assurance de l'Amérique du Nord

Nous avons examiné le bilan de La Garantie, Compagnie d'Assurance de l'Amérique du Nord au 31 décembre 1969 ainsi que l'état de profits et pertes et celui du surplus d'exploitation pour l'année terminée à cette date. Notre examen a comporté une revue générale des procédés comptables ainsi que les sondages des registres comptables et autres preuves à l'appui que nous avons jugé nécessaire de faire dans les circonstances.

A notre avis, ces états financiers présentent fidèlement la situation financière de la compagnie au 31 décembre 1969 ainsi que ses résultats d'exploitation pour l'année terminée à cette date, suivant les principes et pratiques comptables conformes aux lois des assurances du Canada, appliqués de la même manière qu'au cours de l'année précédente.

Le 27 février 1970

RIDDELL, STEAD & CIE.



# La Garantie, Compagnie d'Assurance de l'Amérique du Nord

## BILAN AU 31 DÉCEMBRE 1969 (avec chiffres comparatifs pour 1968, 1967, 1966 et 1965)

Actif	1969	1968	1967	1966	1965
En caisse	\$ 98,976	\$ 125,419	\$ 130,537	\$ 151,102	\$ 30,494
Fonds en fiducie	279,161	154,043	146,111	139,422	256,412
Billets à court terme	—	—	—	200,000	825,000
Valeurs négociables au prix coûtant (Note 1)	9,387,717	8,261,745	6,897,072	6,154,065	5,557,578
Intérêt couru à recevoir	120,007	105,098	88,613	76,711	78,409
Prêts hypothécaires	352,010	393,202	407,707	298,517	59,860
Primes à recevoir	1,068,455	866,400	737,388	468,501	491,312
Dû des réassureurs et autres compagnies d'assurances	174,650	43,888	105,067	61,349	21,448
Mobilier et agencement au prix coûtant moins amortissement accumulé	42,354	42,063	40,682	34,270	29,018
Divers comptes à recevoir	35,878	11,956	16,267	13,000	—
<b>Passif</b>	<b>\$11,559,208</b>	<b>\$10,003,814</b>	<b>\$8,569,444</b>	<b>\$7,596,937</b>	<b>\$7,349,531</b>
Emprunt bancaire	\$ 250,000	\$ —	\$ —	\$ —	\$ —
Provision pour réclamations en cours et frais de réclamations (y compris provision pour réclamations non rapportées)	2,524,236	1,857,092	1,572,087	1,418,509	1,445,645
Provision spéciale pour garantie de cautions	213,166	170,300	186,949	188,339	202,487
Impôts et autres taxes	41,245	46,482	49,328	94,121	68,820
Dépôts des réassureurs détenus en fiducie	279,161	154,043	146,111	139,422	256,412
Autres dettes	613,525	671,067	628,024	537,436	626,604
Provision pour primes non gagnées	3,490,712	2,612,511	1,707,107	1,228,171	1,094,673
<b>Capital et Surplus</b>	<b>7,412,045</b>	<b>5,511,495</b>	<b>4,289,606</b>	<b>3,605,998</b>	<b>3,694,641</b>
Capital-actions	200,000	200,000	200,000	200,000	200,000
Autorisé	133,720	133,720	133,720	133,720	133,720
Emis	133,720	133,720	133,720	133,720	133,720
Surplus d'exploitation	668,600	668,600	668,600	668,600	668,600
Réserve pour placements et autres éventualités	1,248,000	800,000	800,000	500,000	300,000
Réserve volontaire pour fonds de retraite des employés retraités antérieurement à l'inception du plan de retraite de la compagnie	39,000	52,000	67,500	123,000	123,000
	4,147,163	4,492,319	4,279,838	3,990,939	3,654,890
	<b>\$11,559,208</b>	<b>\$10,003,814</b>	<b>\$8,569,444</b>	<b>\$7,596,937</b>	<b>\$7,349,531</b>

Le Conseil d'administration a le plaisir de vous présenter le quatre-vingt-dix-septième rapport annuel de votre Compagnie, ainsi que l'état consolidé de l'actif et du passif et les états financiers connexes pour l'année terminée le 31 décembre 1969, accompagnés du rapport des vérificateurs.

Votre Compagnie, conjointement avec de nombreuses autres compagnies d'assurance, a connu un quatrième trimestre exceptionnellement défavorable, ayant pour résultat une perte d'exploitation de \$767,968. Au cours de l'année, le revenu net de placements a augmenté de \$170,000 sur celui de 1968 et la Compagnie a subi pour la première fois depuis cinq ans une perte de \$224,808, soit \$1.68 par action. Des dividendes de 90c par action ont été payés.

En raison de la baisse continue des prix des valeurs à revenu fixe, l'on a jugé opportun d'augmenter de \$448,000 la réserve de placements.

Vos administrateurs ont décidé d'offrir un service supplémentaire à nos agents et clients: l'assurance contre la responsabilité des administrateurs et des officiers. Il nous fera plaisir de vous fournir des détails sur cette classe particulière d'assurance.

Nous sommes vivement préoccupés par les propositions présentées par le Gouvernement qui a différé la législation fiscale et présenté ses propositions à la Nation sous forme d'un Livre blanc, demandant des commentaires et suggestions. De même que d'autres compagnies d'assurance, nous avons répondu à cette invitation et sommes confiants que les mesures adoptées reconnaitront jusqu'à un certain degré les risques de l'industrie.

C'est avec regret que la Compagnie a accepté la démission de M. R. R. McLernon comme membre du Conseil d'administration. Il a servi la Compagnie fidèlement pendant sept ans et ses conseils nous manqueront.

Après avoir servi comme membre du Conseil pendant vingt-cinq ans, M. G. Blair Gordon a manifesté le désir que son nom ne soit pas proposé à la réélection. Nous acceptons cette décision avec grand regret, car ses conseils et directives ont toujours été constructifs et utiles.

A l'assemblée annuelle tenue mercredi, le 20 avril 1969, MM. J. H. Kennedy, R. B. Lawson, C.R., et J. R. McLaughlin ont été élus membres de votre Conseil d'administration. Ils ont de nombreuses années d'expérience précieuse dans l'industrie d'assurance.

Je désire exprimer mes remerciements à tous les employés et agents dévoués et loyaux de l'organisation qui travaillent à améliorer continuellement nos activités.

Au nom du Conseil d'administration  
G. W. MILLAR  
Président

Le dernier trimestre de 1969 fut néfaste pour l'industrie d'assurance en général. Malheureusement, nous avons partagé cette mauvaise expérience — la fréquence et l'importance des réclamations changeant le profit d'exploitation à la fin du mois d'août en une perte d'exploitation à la fin de l'année.

Les primes écrites brutes de la compagnie ont augmenté considérablement au cours de l'année, passant de \$5,498,600 en 1968 à \$7,216,932 en 1969. Par suite de cette augmentation, un montant additionnel de \$921,067 a été ajouté à nos réserves pour primes non gagnées et, même si notre pourcentage de pertes de 59.1% est inférieur à la moyenne de l'industrie, nous avons connu une perte d'exploitation à cause du montant élevé de nos réserves pour primes. Le pourcentage de nos dépenses en relation aux primes écrites nettes indique une diminution additionnelle.

En 1970 notre accroissement subit un ralentissement et nous poursuivons notre programme de réexamen des risques et de contrôle de notre portefeuille de placements. Le premier trimestre de l'année 1970 semble démontrer une amélioration sur la période correspondante de 1969.

J. L. COOKE  
Directeur général



# La Garantie, Compagnie d'Assurance de l'Amérique du Nord

## CONSEIL ADMINISTRATIF

* J. P. BASSEL, c.r.	Toronto
<i>Associé — Bassel, Sullivan, Holland &amp; Lawson</i>	
* PIERRE CÔTÉ	Québec
<i>Président — Laiterie Laval Ltée</i>	
FRANK COWAN	Princeton
<i>Président — Frank Cowan Company Limited</i>	
* BRUNO DESJARDINS	Montréal
<i>Associé — Simard et Desjardins</i>	
DANIEL O'C. DOHENY, c.r.	Montréal
<i>Associé — Doheny, Day, Mackenzie &amp; Lawrence</i>	
G. BLAIR GORDON	Montréal
<i>Président — Blair &amp; Company</i>	
H. CAMERON HAWKEN	Montréal
<i>Vice-Président — Finance — Marine Industries Limited</i>	
J. H. KENNEDY	Princeton
<i>Vice-Président et Gérant-Général — Frank Cowan Company Limited</i>	
R. B. LAWSON, c.r.	Toronto
<i>Associé — Bassel, Sullivan, Holland &amp; Lawson</i>	
* J. R. McLAUGHLIN	Princeton
<i>Directeur — Frank Cowan Company Limited</i>	
D. W. McLEAN	Montréal
<i>Président — McLean, Budden Limited</i>	
W. J. MICHAESEN, P. Eng.	Toronto
<i>Associé — Marani, Rounthwaite and Dick</i>	
* G. W. MILLAR	Montréal
<i>Président — Lyman Tube Limited</i>	
H. M. RAWLINGS	Montréal
<i>Membre du Comité Exécutif</i>	

## LA DIRECTION

G. W. MILLAR	<i>Président</i>
J. P. BASSEL, c.r.	<i>Vice-Président</i>
PIERRE CÔTÉ	<i>Vice-Président</i>
BRUNO DESJARDINS	<i>Vice-Président</i>
J. R. McLAUGHLIN	<i>Vice-Président</i>
J. L. COOKE	<i>Gérant-Général</i>
G. H. DOBLE	<i>Assistant Vice-Président</i>
G. G. MILNES	<i>Contrôleur</i>
DAPHNE L. CATLIFF	<i>Secrétaire</i>
MILDRED L. JONES	<i>Assistante Secrétaire</i>
D. M. CHADWICK	<i>Trésorier</i>

PROCURUREURS: Doheny, Day, Mackenzie & Lawrence

AUDITEURS: Riddell, Stead & Co.

1 9 6 9

Quatre-vingt-dix-septième rapport annuel

du conseil administratif de

**La Garantie, Compagnie d'Assurance de l'Amérique du Nord**

à l'assemblée générale annuelle des actionnaires

vendredi, le 17 avril 1970



**La Garantie, Compagnie d'Assurance de l'Amérique du Nord**

PLACE DU CANADA  
MONTREAL 101 — QUE.

**GÉRANT - GÉNÉRAL**

J. LORNE COOKE

**CHEFS DE DÉPARTEMENTS**

G. H. DOBLE . . . . .	Garantie — Cautonnement
M. L. JONES . . . . .	— Fidélité
A. LALONDE . . . . .	Service des biens
J. A. LAPIERRE . . . . .	Réclamations
G. G. MILNES . . . . .	Comptabilité
A. SEMERJIAN . . . . .	Assistant, Service des biens
B. SOUCHEREAU, A.I.A.C. . . . .	Automobile, Responsabilité, Risques Multiples

**INSPECTEURS AU SIÈGE SOCIAL**

J. M. ALLARD  
V. DOOLEY  
B. HOLLINGSWORTH  
R. OUELLET

**SUCCESSALES**

**QUÉBEC**

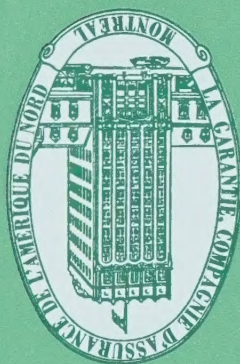
QUÉBEC — P. A. DESMARAIS, A.I.A.C. SHERBROOKE — R. DUPRAS  
TROIS-RIVIÈRES — J. PAGÉ

**ONTARIO**

TORONTO — W. ADAM — Feu et Risques Multiples  
W. J. GARDNER — Cautonnement et Fidélité  
WOODSTOCK — T. L. BENNETT D. M. HANCOCK  
OTTAWA — W. G. ADAMSON

**La Garantie, Compagnie d'Assurance  
de l'Amérique du Nord**

Incorporée en 1851  
Détenant une Charte Fédérale depuis 1872



SIÈGE SOCIAL

MONTREAL

*Fidélité et Caution*

*Incendie, Automobile et Casualité*

*La Compagnie innovatrice de l'Assurance Fidélité en Amérique du Nord*

QUATRE-VINGT-DIX-SEPTIEME RAPPORT ANNUEL

1969